

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

**CERTIFICATION OF COUNSEL REGARDING ORDER APPOINTING FEE
EXAMINER AND ESTABLISHING PROCEDURES FOR CONSIDERATION OF
REQUESTED FEE COMPENSATION AND REIMBURSEMENT OF EXPENSES**

1. On November 3, 2024, the debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) each filed voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (collectively, the “Chapter 11 Cases”). The Debtors, the United States Trustee for the District of Delaware (the “U.S. Trustee”), the Official Committee of Unsecured Creditors (the “Committee”), and the Ad Hoc Group of First Lien Lenders² have

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

² As defined in the *Verified Statement of the Ad Hoc Group of First Lien Lenders Pursuant to Bankruptcy Rule 2019* [Docket No. 77].

conferred regarding the appointment of a fee examiner and the establishment of related procedures, and have agreed to have Direct Fee Review LLC (“Direct Fee Review”) serve as fee examiner in these Chapter 11 Cases.

2. Based on the foregoing, the Debtors have prepared a proposed form of order (the “Proposed Order”), a copy of which is attached hereto as Exhibit A, approving the appointment of Direct Fee Review as fee examiner in these Chapter 11 Cases and establishing certain procedures in connection therewith. The declaration of W. Joseph Dryer in support of Direct Fee Review’s appointment as fee examiner is attached to the Proposed Order as Exhibit 1.

3. The U.S. Trustee, the Committee, and the Ad Hoc Group of First Lien Lenders do not object to the appointment of Direct Fee Review as fee examiner in these Chapter 11 Cases.

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WHEREFORE, the Debtors respectfully request the entry of the Proposed Order, substantially in the form attached hereto as Exhibit A, at the earliest convenience of the Court.

Dated: January 15, 2025
Wilmington, Delaware

**YOUNG CONAWAY STARGATT & TAYLOR,
LLP**

/s/ Shella Borovinskaya
Edmon L. Morton (Del. No. 3856)
Matthew B. Lunn (Del. No. 4119)
Allison S. Mielke (Del. No. 5934)
Shella Borovinskaya (Del. No. 6758)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253
emorton@ycst.com
mlunn@ycst.com
amielke@ycst.com
sborovinskaya@ycst.com

-and-

WILLKIE FARR & GALLAGHER LLP
Debra M. Sinclair (admitted *pro hac vice*)
Matthew A. Feldman (admitted *pro hac vice*)
Betsy L. Feldman (Del. No. 6410)
Joseph R. Brandt (admitted *pro hac vice*)
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
Facsimile: (212) 728-8111
dsinclair@willkie.com
mfeldman@willkie.com
bfeldman@willkie.com
jbrandt@willkie.com

*Proposed Co-Counsel to the Debtors
and Debtors in Possession*